



August 2003

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The data provided in this bulletin is given solely as an information resource and does not imply endorsement by the U.S. Dept. of Commerce.

# OZ ICT

Australian ICT Bulletin

U.S. Commercial Service, Australia

# Welcome

### To the Australian ICT Bulletin

This monthly publication contains useful business intelligence on the Australian IT market.

In this issue, you'll find information on:

- More on Broadband,
- Update on PC Market,
- Government Funded Telco,
- and much, much more!

For further information on the articles in this publication or on any aspect of the Australian ICT market, please contact:

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## Small Businesses Drive Broadband Uptake

According to a recent study by ISP Pacific Internet, nearly half of all Australian Internet-connected small businesses use broadband rather than dial-up services. Approximately 40 percent of small businesses use broadband and small business broadband connections accounted for 44 percent of overall broadband connections sold in Australia.

The report, which surveyed 1167 small businesses with 50 or less employees, noted that IT and financial sectors are leaders in the use of broadband technologies, while transport and health tend to rely heavily on dial-up. Small businesses that are retaining dial-up connections cite concerns over the reliability of broadband services.

The study also found that there was a lack of broadband usage in rural areas. In metropolitan areas -- 49 percent of small businesses utilized broadband, compared to rural areas with only 18 percent.

### Small Business Internet Access by Industry

Industry	Broadband	Narrowband
IT	56%	44%
Finance/insurance	46%	54%
Property/business services	45%	55%
Wholesale trade	41%	59%
Accom/cafes/restaurants	40%	60%
Retail trade	38%	62%
Manufacturing	36%	64%
Cultural recreation services	36%	64%
Construction	33%	67%
Health/community services	29%	71%
Transport/storage	15%	86%

### Did You Know?

According to the Australian Bureau of Statistics, there are 655,000 small businesses in Australia and 77 percent of them have Internet access.

## Notebooks Drive Australian PC Market

The personal computers market in Australia continues to strengthen, mostly due to enhanced notebook sales. According to research company IDC, the Australian PC market grew to 673,000 in the second quarter of 2003, up 10 percent on the first quarter and over 20 percent on the same quarter last year.

Notebook sales -- increasing an average of 18 percent each quarter -- rose by 41.5 percent compared to the same period last year. While the desktop computer market also saw growth, it did not see as much growth as the notebook market. Desktop sales increased by 7.4 percent on the last quarter, up 15.7 percent on the same quarter last year.

The study attributed the growth in notebook sales to the decline in notebook prices and an increase in quality. Today, fully featured notebooks only cost marginally more than a desktop, making them attractive to small businesses. While in the corporate market, notebooks are increasing as IT departments modify their management systems in order to accommodate mobile computing. The study predicted the continuation of a trend away from traditional desktop business towards using notebooks.

HP led in the second quarter with a 19.3 percent share of the total Australian PC market. Dell claimed 11.4 percent of the market, IBM 7.5 percent and Acer captured 6.4 percent.

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## Government Funds Regional Telco

A government-funded telephone company, Southern Phone, was recently launched to deliver more affordable rates and competitive long distance pricing for businesses and residential customers in rural New South Wales. The federal government funded the community-owned project with \$4.8 million. All profits will be returned to 38 local council shareholders, who in turn will distribute the profits back to the community.

The government also recently announced funding of \$107.8 million for a higher bandwidth incentive scheme aimed at encouraging broadband providers to offer services in rural and remote areas at prices comparable with those available in urban areas.

## Storage News

The uptake of networked storage in Australia is expected to accelerate during the next 15 months. Australian storage architectures are shifting from a direct-attached model to one in which storage devices are connected to an organization's servers via a network. According to a recent IDC survey of 300 organizations in Australia, more businesses were considering implementing Storage Area Networks (SAN) compared to Network Attached Storage (NAS).

The study noted that 52.3 percent of respondents have no plans to adopt a SAN infrastructure. However, 32 percent of respondents indicated that they were considering SAN implementation, while 11 percent have some SAN implementation completed and 4.7 percent indicated they were currently in the process of implementing a SAN solution.

The survey also reported that 68 percent of respondents indicated that they had no current plans for introducing NAS. While 16.7 percent were considering NAS implementation, 12 percent of survey respondents indicated that they had installed NAS and 3 percent were currently installing a NAS solution.

Network storage is expected to replace direct-attached storage as the dominant model in Australia by the end of 2004.

### Trade Shows

#### **HIC 2003 – Health Informatics Conference**

Covering both exhibition and tutorials, HIC 2002 will concentrate on delivering information on products and trends in the e-Health market

Date: August 10-12 2003

Location: Sydney Exhibition Centre

Organizers: HISA

Frequency: Annual

Tel: 61 3 9388 0555

Fax: 61 3 9388 2086

Email: [hisa@hisa.org.au](mailto:hisa@hisa.org.au)

Web site: [www.hic.org.au](http://www.hic.org.au)

#### **8th annual conference and exhibition, Information Security World Australasia, 2003**

Featuring case studies and workshops, Information Security World Australia is one of the most significant info security events on the local IT calendar. Also runs in conjunction with Cards Australia 2003

Date: September 2-4

Location: *Melbourne Convention Centre, Melbourne*

Organizers: Exhibition Organizer: Terapinn

Frequency: Annual

Tel: 61 2 9005 0781

Fax: 61 2 9281 3950

[www.isecworldwide.com/2003/isw\\_AU](http://www.isecworldwide.com/2003/isw_AU)

### **Conference/Trade Shows**

#### **25<sup>th</sup> International Conference of Data Protection and Privacy Commissioners**

Australia's Privacy Commissioner, Mr Malcolm Crompton, will host the 25<sup>th</sup> International Conference. This year's conference theme is entitled "Practical Privacy for People, Government and Business"

Date: September 10-12, 2003

Location: Sydney Exhibition Centre

Organizers: Tour Hosts Conference & Exhibition Organizers

Frequency: One-off

Tel: 61 2 9248 0800

Fax: 61 2 9248 0894

[www.privacyconference2003.org](http://www.privacyconference2003.org)

### **Did You Know? – VoIP Market**

According to a recent Frost and Sullivan report, the Internet Protocol Private Branch Exchange (IP PABX) market in Asia-Pacific is expected to grow at an annual growth rate of 65 percent per year until 2008. PABX is an in-house telephone switching system that interconnects telephone extensions too each other as well as to the outside public telephone network. An IP PABX supports the IP protocol along with the traditional analogue and digital circuit-switched connections to the public telephone network. IP PABX growth for 2001 was 324 percent, while traditional PABX sales declined 8.5 percent in 2001. The penetration for IP PABX equipment was one percent of the total PABX market in 2001.

**Attention: We would like to know if Oz IT is useful to you. If information from this newsletter leads to a sale of signing of an agreement, please let us know!**

## **Local PC and Laptop Assemblers**

### **Hallmark Computer International Pty Ltd**

10 Blissington Street  
Springvale VIC 3171

Tel: 61 3 9540 8555

Fax: 61 3 9540 8989

[www.hallmark.com.au](http://www.hallmark.com.au)

Michael Ly - Managing Director

[Michael.ly@hallmark.com.au](mailto:Michael.ly@hallmark.com.au)

Hallmark International is a leading assembler/OEM of PCs, systems and monitors. In addition, the company distributes Gigabyte motherboards, and a range of PC components from Panasonic, Canon, and Matrox.

### **Pioneer Computers Pty Ltd**

Unit 2, 37 O'Riordan Street  
Alexandria NSW 2015

Tel: 61 2 9690 2888

Fax 61 8 9690 0333

[www.pioneercomputers.com.au](http://www.pioneercomputers.com.au)

Molly Lai - Manager

[mollyl@pioneercomputers.com.au](mailto:mollyl@pioneercomputers.com.au)

Pioneer is an assembler /OEM of laptops, PCs and computer accessories.

## **Local Brokers/Resellers of Rebuilt and Second-hand Networking Equipment**

[O2 Networks Pty Ltd](#)

[Acsgdirect Pty Ltd](#)

[Net Communications Pty Ltd](#)

[IP Trading Pty Ltd](#)

[Meltek Pty Ltd](#)

[Clearhouse Technology Pty Ltd](#)

Want contact details for the principals of the abovementioned brokers of refurbished networking equipment?

No Problem!

Contact [duncan.archibald@mail.doc.gov](mailto:duncan.archibald@mail.doc.gov)

**Please let us know if these vendors are of use to you, and especially if it leads to an export sale**

### **Telecommunications Opportunity!**

A local company that has the Australian rights to telecommunications technology allowing use of the power lines and power sockets to **access broadband internet and** make telephone calls has contacted us recently. The company is looking for a U.S. investor or company that would be interested in **using the technology to enter the Australian market. Due to its low cost and the availability of discounted backhaul from failed telcos, this could be a chance for a new entrant to claim a significant market share**

For more information contact [duncan.archibald@mail.doc.gov](mailto:duncan.archibald@mail.doc.gov)

### **Bulletin Board**

#### **Local Companies Looking for U.S. Technologies to Distribute in Oz**

If you have products that may be of interest to these local companies, contact them directly. All we ask is that if you get success with these companies, in terms of distribution of your products, could you kindly let us know!

### **Wireless Products**

Powercon Services Pty Ltd – contact David Knowles at [powerconservices@bigpond.com](mailto:powerconservices@bigpond.com)

Omnipoint Telecommunications Pty Ltd – contact Kevin Howard at [bongobongo@smartchat.net.au](mailto:bongobongo@smartchat.net.au)

### **General IT Products**

m.strat Pty Ltd – contact William Masson at [wmas@mstrat.com.au](mailto:wmas@mstrat.com.au)

Michael Shur at [Michael.shur@silverfox.com.au](mailto:Michael.shur@silverfox.com.au)

Savant Corporation – contact Meyer Mussry at [savant@savantcorporation.com.au](mailto:savant@savantcorporation.com.au), web: [www.savantcorporation.com.au](http://www.savantcorporation.com.au)"

That would be greatly appreciated.

### **Software**

IPP Consulting Services Pty Ltd – contact Subba Rao Varigonda at [subbarao@ippcs.com.au](mailto:subbarao@ippcs.com.au)

### **Video Conferencing Equipment**

Ericsson Corporate Networks Pty Ltd – contact Greg Morris at [greg.morris@ericssoncn.com](mailto:greg.morris@ericssoncn.com)

### **Integration Tops Cost-Cutters' Wish List**

According to a survey by research company IDC, systems integration is the top short-term IT priority for Australian businesses.

The study found a large difference in industry attitudes to major technologies, such as customer-relationship management (CRM) and enterprise-resource management (ERM). According to the survey, 45 percent of respondents in the telecommunications industry cited CRM as

a top short-term priority, compared to only 18.4 percent of banking industry respondents. While 4.3 percent of manufacturing industry respondents named CRM a priority.

The research highlighted the trend towards tighter technology budgets and shorter timeframes for new projects. In the banking and finance industry, for instance, efficiency was the number one priority for information technology. Most companies surveyed noted that they were focusing more on reducing computing costs rather than boosting revenue.

#### Australian Telco Market Growth

Australia's Telco services and equipment market is expected to grow from \$38 million in 2003 to \$40 million in 2004. According to an telco industry analyst, services will account for 80 percent of the market and equipment 20 percent.

#### The Top IT Priorities for the Next Six Months

Industry	ERM	CRM	Industry Specific	Collab.	BI	B2B	B2C	Supply Chain	System Infra.	Other
Banking/finance	7.9%	18.4%	10.5%	2.6%	2.6%	18.4%	7.9%	2.6%	28.9%	0%
Manufacturing/constr.	15.2%	4.3%	10.9%	4.3%	8.7%	13%	4.3%	6.5%	32.6%	0%
Retail/wholesale	6.4%	17%	14.9%	2.1%	8.5%	10.6%	4.3%	10.6%	23.4%	2.1%
Telcom/media	10%	45%	5%	0%	0%	15%	0%	5%	15%	5%
Transport/utilities	5%	15%	15%	10%	10%	15%	10%	10%	10%	0%
Services	5%	10%	20%	10%	0%	5%	10%	10%	30%	0%
Education/health	11.4%	15.9%	11.4%	9.1%	4.5%	2.3%	0%	2.3%	40.9%	2.3%
Total	9.9%	16.2%	12.3%	5.5%	5.9%	10.3%	4.3%	6.3%	27.7%	1.6%

\*ERM: enterprise management, Customer relationship management, BI: business intelligence, B2B business to business, B2C business to consumer.



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- **data security**
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